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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/09

SPONSOR Ingle LAST UPDATED _____ HB _____

SHORT TITLE Microfilm Newspaper Backlog SB 86

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.01	\$0.01	\$0.01	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

Commission of Public Records (CPR)

SUMMARY

Synopsis of Bill

Senate Bill 86 appropriates one hundred thousand dollars (\$100,000) from the general fund to the Department of Cultural Affairs (DCA) for expenditure in fiscal year 2010 for the library division to microfilm a backlog of files of New Mexico newspapers.

FISCAL IMPLICATIONS

The appropriation of one hundred thousand dollars (\$100,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

According to DCA, calculations are based on market rates for the number of newspapers to be microfilmed. Senate Bill 86 will allow 152 New Mexico newspapers to be preserved by microfilming.

The Commission of Public Records (CPR) states that an agreement between the library division and CPR allows the commission to collect the revenues generated from microfilm copies. CPR deposits the money into its internal service fund. In return, CPR provides all paper, toner, and light bulbs for all microfilm readers and reader-printers located in a shared area. Accordingly, some additional revenue may be realized; however, the amount cannot be determined as the number of patrons who will make copies cannot be predicted. On the other hand, CPR could incur additional operating expenses if the use of microfilm reader-printers and readers increases, since it provides all supplies for the microfilm equipment. CPR pays for any additional costs out of its internal service fund, the same fund into which any additional revenue would be deposited.

It should also be noted that according to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

CPR states that the library division is required to follow the microphotography standards set forth in 1.14.2 NMAC, Microphotography Systems, Microphotography Standards. Sections 14-3-2, 14-3-15 and 14-3-17 of the Public Records Act (Chapter 14, Article 3 NMSA 1978) give the State Records Administrator review and approval authority over microphotography systems of state agencies, and give the Commission of Public Records authority to establish microphotography standards.

Before any agency or the library division can begin microfilm process, it must submit a microphotography plan that conforms to the requirements set forth in rule by the commission and that plan must have the written approval of the State Records Administrator. The library division has not submitted a plan at this time. Microfilming must comply with the standards set in rule by the commission. If an outside vendor is used, the vendor must comply with the standards as well.

According to DCA, the division received a non-compliance fire violation from fire and security consultants. The newspapers will continue to fade and quickly deteriorate thus jeopardizing valuable historical information. They will also continue to be a fire hazard and a public safety concern.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to the LFC recommended level of funding for the library division in the Department of Cultural Affairs.

OTHER SUBSTANTIVE ISSUES

According to CPR, newspapers are inherently fragile and susceptible to deterioration. They are printed on poor paper stock, which is known to degrade rapidly. Best practices in the library and archival professions advocate the reformatting of newspapers onto microfilm, an accepted preservation medium.

While it is the mandate of each county clerk to receive and preserve every newspaper in his or her county, the New Mexico newspaper collection maintained by the library division is quite comprehensive and located in a single area. This collection documents more than 150 years of history and is a tremendous resource for researchers studying various aspects of New Mexico history.

PV/mc